

## **RESOLUTION NO. 06-04**

### **RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK APPOINTING PUBLIC RESOURCES ADVISORY GROUP AS ESCROW ADVISOR/BIDDING AGENT FOR THE DEFEASANCE OF THE TOLL BRIDGE SEISMIC RETROFIT REVENUE BONDS AND COMMERCIAL PAPER**

**WHEREAS**, the California Infrastructure and Economic Development Bank (the "I-Bank") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.), as now in effect and as it may be amended or supplemented (the "Act"); and,

**WHEREAS**, the I-Bank has heretofore issued: (a) its California Infrastructure and Economic Development Bank Bay Area Toll Bridges Seismic Retrofit Revenue Bonds, Series 2003A First Lien Bonds (the "I-Bank Bonds") pursuant to a Master Indenture of Trust and a First Supplemental Indenture of Trust, each dated as of August 1, 2003, and each by and between the I-Bank and the Treasurer of the State of California, as trustee (the "Trustee"), and (b) its California Infrastructure and Economic Development Bank Bay Area Toll Bridges Seismic Retrofit Revenue Notes, Series 2005 Second Lien Commercial Paper Program (the "I-Bank Notes" and, together with the I-Bank Bonds, the "I-Bank Debt") pursuant to a Second Supplemental Indenture of Trust, dated as of March 1, 2005, by and between the I-Bank and the Trustee; and

**WHEREAS**, in order to assume responsibility for administering the seismic retrofit program for the toll bridges in the San Francisco Bay Area which are owned by the State of California (the "Seismic Retrofit Project"), including the administration of the seismic retrofit surcharge imposed pursuant to Section 31010 of the California Streets and Highways Code (the "Seismic Surcharge"), the Bay Area Toll Authority (the "Authority") wishes to cause the defeasance of the I-Bank Debt and, in furtherance of that objective, will issue bonds and provide a portion of the proceeds thereof to the California Department of Transportation ("Caltrans") which in turn will pay such money to the I-Bank for deposit with an escrow agent (the "Escrow Agent") pursuant to an agreement between the I-Bank and the Escrow Agent which will provide for the application of said funds and the investment earnings there from to the payment of the I-Bank Debt; and

**WHEREAS**, the amount to be so deposited with the Escrow Agent will be sufficient, together with funds on deposit with the Trustee and available for such purpose and investment earnings on all such amounts, to effect the defeasance of the I-Bank Debt (the "Defeasance"); and

**WHEREAS**, the Act authorizes the I-Bank to engage the services of financial consultants to render professional and technical assistance regarding the Defeasance; and

**WHEREAS**, the Act provides that Section 10295 and Sections 10335 to 10382, inclusive, of the Public Contract Code shall not apply to agreements entered into by the I-Bank in connection with the sale of bonds or notes; and

**WHEREAS**, the I-Bank sent a Request for Qualifications ("RFQ") for an escrow advisor/bidding agent to, and received responses from, Public Financial Management, Inc., Public Resources Advisory Group ("PRAG"), and BondLogistix LLC; and

**WHEREAS**, staff reviewed the responses to the RFQ and recommends the appointment of PRAG as escrow advisor/biding agent for the Defeasance.

**NOW, THEREFORE**, the Board of Directors of the California Infrastructure and Economic Development Bank does resolve as follows:

**Section 1.** The I-Bank hereby appoints PRAG as escrow advisor/bidding agent for the Defeasance.

**Section 2.** PRAG shall receive compensation for their time and effort expended on the Defeasance based on the hourly rates listed in their response to the RFQ. The total compensation to PRAG for the Defeasance will not exceed a total of \$55,000, which includes an amount not to exceed \$5,000 for reimbursement of expenses, unless otherwise approved in writing by the I-Bank's Executive Director. All fees and expenses will be payable solely from either the proceeds of bonds to be issued by the Authority to fund the Defeasance escrow or from the provider of the securities for the Defeasance and shall not be a liability of the I-Bank and/or the State of California.

**Section 3.** This resolution shall take effect from and after its adoption.

**PASSED, APPROVED AND ADOPTED** at a meeting of the California Infrastructure and Economic Development Bank on January 24, 2006 by the following vote:

AYES:	Fish, Lujano, Kessler, Valverde
NOES:	None
ABSENT:	None
ABSTAIN:	None

  
Stanton C. Hazelroth, Executive Director

ATTEST:

  
Blake Fowler, Secretary